

# TOWN OF PARADISE VALLEY

Procurement Code  
February 25, 2016



# Purpose/Direction Needed

- What requires specific Council approval?
  - Dollar threshold
  - Specific types of activities
- When is a formal bidding process required?
  - Dollar threshold
  - Specific types of activities



# Why a Procurement Code

- Best possible service; lowest possible cost
- Minimize risk
- Maximize operational efficiency
- Ensure all federal, state, and local regulations met
- Logical, well-organized, consistent process



# Background

- Code
- Policy
- Administrative Policy



# Structure

Procurement (Purchasing) Code – WHAT authority  
Council delegates for day-to-day and emergency  
operations

Administrative Policy – Direction from the Manager on  
HOW it is to be carried out



# Decision Points

- What requires specific Council approval?
  - Dollar threshold
  - Specific types of activities
- When is a formal bidding process required?
  - Dollar threshold
  - Specific types of activities



# Staff Recommendation – Town Code

- Council approval
- Informal and formal procurement
- Expectations of Town Manager





# Staff Recommendation – Town Code

## Council Approval

- Procurement of materials, services, or construction over \$50,000
  - \$100,000 for specific items approved in current Council adopted budget; exception: all CIP and/or studies over \$50,000
- Purchases shall not be fragmented to circumvent Council approval





# Staff Recommendation – Town Code

## Informal and Formal Procurement

- Procurement of materials, services, or construction under \$50,000 must follow procedures outlined in Town Manager’s administrative policy
- Procurement over \$50,000 shall be made using some form competitive selection criteria and procedures
  - Requests for Proposal/Qualifications, Invitation to Bid, Cooperative Purchasing, etc.



# Staff Recommendation – Town Code

## Expectations of Town Manager

- Establish procurement rules & procedures to implement Town Procurement Code
- Procure goods and services accordingly
- Establish rules & procedures for inventory & surplus
- Ensure fair and open procurement
- Oversee approvals and report to Council



# Staff Recommendation – Administrative Policy

Detailed procedures for informal purchases under \$50,000

- Thresholds
  - Under \$5,000: comparative pricing
  - \$5,000 to \$25,000: three verbal quotes
  - \$25,000 to \$50,000: three written Requests for Quotations
- All quotes documented and maintained as public records
- Award
  - Responsible bidder with material conformity
  - Quote most advantageous to Town



# Staff Recommendation – Administrative Policy

Detailed procedures for formal purchases over \$50,000

- Invitation for bids
- Requests for proposal (RFP)/Requests for Qualifications (RFQ)
- Bid and Contract Surety
- Cancellation of Solicitations and Rejection of Bids
- Final Contract Approval
- Protests



Any questions?

